

A weekly update of energy prices and issues to help leaders assess energy trends throughout the year.

## Media Excerpts: A snapshot of state and national energy issues\*

### Energy Awareness Conference

Louisville, KY – Sept. 20, 2006

### National Renewable Energy Conference

St. Louis, MO – Oct. 10-12, 2006

### Bluegrass Energy & Green Living Expo

Lexington, KY – Oct. 14-15, 2006

**Governor Ernie Fletcher announces appointment to the National Coal Council.** Governor Ernie Fletcher announced today the appointment of William H. Bowker to the National Coal Council (NCC). U.S. Department of Energy Secretary Samuel W. Bodman appointed Bowker upon Governor Fletcher's recommendation. The National Coal Council is one of the U.S. Department of Energy's most important advisory committees. Its purpose is to inform and make recommendations to the Secretary of Energy with respect to any matter relating to coal or the coal industry. ("Governor Ernie Fletcher announces appointment to the National Coal Council," *Governor's Press Release*, 8-11-06)

**Energy savings highlighted at state fair exhibit.** Is hot weather making your air conditioner work harder? Is that putting more stress on your electric bill? Come to the Kentucky State Fair to see how you can cool off those energy costs. The cost savings and energy efficiency of using ENERGY STAR-qualified products and building practices will be showcased in a 3,000 sq ft exhibit at this year's Kentucky State Fair. The exhibit will feature a model of an ENERGY STAR-qualified home under construction, as well as ENERGY STAR lighting and appliances. This state fair exhibit is the result of a collaboration between the University Of Kentucky College Of Agriculture and the Kentucky Office of Energy Policy (KOEP). Other contributors to the exhibit are participating Kentucky Touchstone Energy Cooperatives, which are providing a display featuring their Touchstone Energy Home Program and staffing, as well as General Electric, which is supplying the appliances on display. ("Energy savings highlighted at State Fair exhibit," *Office of Energy Press Release*, 8-17-06)

**PSC approves pollution control project for EKPC.** The Kentucky Public Service Commission (PSC) today approved construction of a project that will further reduce air emissions from the East Kentucky Power Cooperative's (EKPC) H.L. Spurlock Power Station near Maysville. The \$142 million scrubber, which will be added to the Spurlock 1 unit, is required in order for EKPC to comply with U.S. Environmental Protection Agency (EPA) requirements to further reduce air emissions from coal-fired power plants by 2010. The scrubber will reduce emissions of sulfur dioxide, which is a byproduct of coal combustion. Under Kentucky law, EKPC will be able to recover the cost of the scrubber in the future through a surcharge on the electric bills of customers served by the rural electric cooperatives to which EKPC provides power. The impact on individual electric bills will depend on actual construction costs, interest rates and other factors. ("PSC approves pollution control project for EKPC," *PSC Press Release*, 8-11-06)

**How to conserve energy.** Kentuckians are accustomed to hot, humid summers, but unfortunately when temperatures outside rise, so do people's energy bills. A heat wave over much of the nation in July led to record high electric demand in several states, including California, Texas and New York. Here at home, though, utilities reported no trouble meeting the high demand, although they encouraged consumers to conserve energy. "Because this kind of weather is not that unusual for Kentucky in July, our utilities are prepared for it," said Teresa Hill, vice chairman of the Public Service Commission. Simple measures can help you save energy and money. For example, PSC commissioner Greg Coker says, if you have central air conditioning, set your thermostat no lower than 78 degrees, which is comfortable for most people. Every degree below 78 raises your air conditioner's energy consumption by 5 percent to 8 percent. ("How to: conserve energy," *The Advocate Messenger-Danville*, 8-14-06)

**Post-tobacco crop: ethanol corn.** A team of environmentalists on a Midwestern tour stopped in Lexington yesterday to promote the use of ethanol to power motor vehicles. The environmentalists, members of the Natural Resources Defense Council, were driving a Ford Escape hybrid SUV with a gas-electric motor and a Chevrolet Impala fueled with E-85. E-85 is a blend of 15 percent gasoline and 85 percent ethanol, a combustible liquid refined from plant matter such as cornstalks. "Kentucky can really play a big part in ending our dependence on foreign oil as well as boosting the local economy," said team member Eben Burnham-Snyder. Burnham-Snyder pointed out that Kentucky is a major agricultural state, and that farmers -- especially those seeking an alternative crop to tobacco -- could profit from using their land to produce plants that can be converted to ethanol. ("Post-tobacco crop: ethanol corn," *Herald-Leader*, 8-11-06)

**Gulf leaves gas supplies in precarious position.** As the Atlantic hurricane season gets into full swing, natural gas production and infrastructure are still recovering from last year's storms. Two years after Hurricane Ivan, and nearly a year after both Rita and Katrina tore through the Gulf of Mexico, energy production in the region still has some big problems. Pipelines on the sea floor that deliver most of the region's oil and gas to shore remain twisted. Key ports on the Louisiana coast are just now limping back to life, and a big chunk of the region's energy production remains shut down. ("Gulf leaves gas supplies in precarious position," *CNN Money* 8-15-06)

These are media summaries. Please consult the source directly to ensure the accuracy of the information presented. Underlined titles are links to online articles in their entirety.



## Kentucky Retail Fuel Prices (Dollars per gallon)

Product	08/16/06	08/09/06	08/02/06	07/26/06	Year Ago
Gasoline (State avg.)	2.861	2.978	2.908	2.942	2.534
Ashland	2.890	2.957	2.908	2.920	2.552
Covington	2.913	3.049	3.036	3.023	2.559
Lexington	2.802	2.957	2.858	2.954	2.600
Louisville	2.877	3.095	2.972	3.047	2.596
Owensboro	2.840	2.909	2.852	2.875	2.484
Diesel (State avg.)	2.962	2.984	2.916	2.904	2.480
Ashland	2.966	2.990	2.913	2.893	2.482
Covington	2.972	2.997	2.911	2.860	2.457
Lexington	2.984	3.002	2.939	2.919	2.502
Louisville	2.972	2.990	2.913	2.908	2.487
Owensboro	2.883	2.963	2.910	2.898	2.481

**Note:** The record high average price for gasoline in Kentucky is \$3.049 and occurred on Sept. 3, 2005.

**Source:** Gasoline (unleaded regular) & Diesel: National AAA, <http://www.fuelgaugereport.com/KYavg.asp>

## Wholesale Fuel Prices

Spot Prices	08/16/06	08/09/06	08/02/06	07/26/06	Year Ago
Crude Oil (Dollars per barrel)	71.90	76.36	75.82	73.95	66.28
West Texas Intermediate, fob					
Natural Gas (Dollars per MMBtu)	7.010	7.630	8.670	6.710	9.600
Henry-Hub					

**Source:** [Oilenergy.com](http://Oilenergy.com)

Futures		Sept-06	Oct-06	Nov-06
Crude Oil (Dollars per barrel)	08/16/06	71.89	73.19	74.19
Light Sweet Crude Oil	08/09/06	76.35	77.53	-
	08/02/06	75.81	76.90	-
Natural Gas (Dollars per MMBtu)	08/16/06	6.766	6.939	8.819
Henry-Hub	08/09/06	7.651	7.857	-
	08/02/06	7.799	8.036	-
Propane (Cents per gallon)	08/16/06	113.50	114.00	115.00
	08/09/06	117.50	118.20	-
	08/02/06	117.75	118.95	-
Coal (Dollars per ton)	08/11/06	47.50	-	-
Central Appalachian	08/04/06	48.00	-	-
	07/28/06	48.50	-	-

**Source:** [NYMEX closing price](#) and [EIA Coal Futures](#)

## For more information, contact John Davies, Kentucky Office of Energy Policy:

Phone: (502)564-7192 or (800)282-0868 Fax: (502) 564-7484 E-mail: [John.Davies@ky.gov](mailto:John.Davies@ky.gov) Internet: [www.energy.ky.gov](http://www.energy.ky.gov)

The Commerce Cabinet does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, call the Office of Energy Policy at (800) 282-0868. Persons with hearing and speech impairments can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TDD). For voice to TDD, call (800) 648-6057. For TDD to voice, call (800) 648-6056.